

CHAPTER 7

INTERNATIONAL

A. GENERAL

1. Projects or programs of foreign countries and coproduction programs between the United States and foreign countries that support the U.S. national defense interests may be afforded priority access to U.S. industrial resources on a basis of parity with U.S. military acquisition. The DoC will act upon a request for priority authority or special priorities assistance only when sponsored by the OASD(ES) .

2. Use of the DPAS in support of U.S. military construction offshore is covered in Chapter 4.

3. The DPA, SSA, and the DPAS apply only "to transactions in any State, Commonwealth, territory, or possession of the United States and the District of Columbia.

B. UNITED STATES--CANADA

1. Priority Rating Authority Between U.S. and Canada

a. 15 CFR 700.55(b) (reference (b)) contains provisions for obtaining priorities assistance with Canadian suppliers. The DoC coordinates with the Canadian Department of Supply and Services (DSS) (Ottawa) on all matters of mutual concern relating to the administration of the DPAS.

b. The DoD Components and Associated Agencies may not place rated orders with Canadian contractors or suppliers for items needed in support of DoD-certified programs. However, the Canadian supplier should be informed that the items being ordered are to be used for U.S. defense purposes. The Canadian supplier should also be informed that if production or construction items to fill the orders are needed from U.S. vendors, the supplier should contact the DSS for authority to place rated orders in the United States.

c. The DoC authorizes the DSS to use priority ratings in the United States in support of the following certified programs:

. . . . .(1). D1--Canadian military programs

(2) D2--Canadian production and construction

(3) D3--Canadian atomic energy Program

d. The DSS may authorize the use of a DO or DX rating for procurements in the United States that support rated U.S. programs.

e. Contracting officers issuing contracts for acquisitions in Canada should be familiar with the Canadian Commercial Corporation (CCC) .

## 2. Special Priorities Assistance

a. The DoC will provide SPA as needed to Canadian procurements in the United States in support of D1, D2, and D3 programs.

b. The DSS will provide assistance to U.S. procurements in Canada that support U.S.-certified programs. Requests for such assistance must be sponsored by the DoC. Form BXA-999 is used by OASD(ES) and submitted to the DoC for forwarding to the DSS .

## 3. Compliance

The DSS will ensure that Canadian Government personnel and contractors are in compliance with the provisions of the DPAS when placing rated orders in the United States.

## 4. Conflicts

The DPAS provisions on the precedence of rated orders apply equally to Canadian-certified rated orders and DoD-issued orders. Any conflicts between Canadian and the DoD-issued rated orders that cannot be resolved by the DPAS rules should be referred to the OASD(ES) for resolution.

## C. FOREIGN COUNTRIES' REQUEST FOR USE OF DPAS

This section covers the procedures for authorizing priority ratings in support of the direct defense needs of foreign countries other than Canada for industrial resources required from the United States, whether the end-use items are to be used by the foreign country's military forces or furnished to another country under existing international agreements. If items are to be procured in the United States and timely delivery cannot be obtained without the use of priority ratings, request for priority authority from foreign countries must be sponsored by the OASD(ES) .

1. Procedure for Submission

a. U.S. -Financed Military Programs If items must be procured in the United States in support of U.S.-financed military programs, including contracts placed by elements of the DoD, the foreign government or contractor should first endeavor to place unrated orders on U.S. suppliers. If timely delivery cannot be obtained without a priority rating, authority may be requested by written memorandum through appropriate military channels. This memorandum should set forth the circumstances of the case in detail, including the specific information needed to prepare a Form BXA-999, a list of U.S. suppliers, and a statement that the needed items cannot be produced or procured locally from other than U.S. sources in time to meet the approved production or deployment schedule. If the request is considered valid and the need cannot be satisfied by other means, the DoD operating element will execute a Form BXA-999 and forward it to the OASD(ES) for sponsorship to the DoC.

b. Other Foreign Military Programs For direct defense needs other than U.S. financed military programs, a foreign government or contractor, through its government (Ministry of Defense), may request priority rating authority by addressing a memorandum, with the information cited in C.1.a. above, to the OASD(ES) through the country's Washington, DC, military office. The country's defense representative or the overseas command concerned should review the request, prepare a BXA-999, and forward it to the OASD(ES) for sponsorship to the DoC.

2. Special Priorities Assistance

If SPA is needed by the foreign government or contractor to ensure the timely delivery of items after placement of a rated order with a U.S. supplier, or for any other reason under the DPAS, the country's defense representative, the overseas command, or the DoD operating element should prepare a Form BXA-999. If the DoD operating element cannot resolve the problem, the request for assistance should be forwarded to the OASD(ES) for sponsorship to the DoC.

D. OVERSEAS CONTRACTORS SUPPORTING DoD PROGRAMS

1. It is DoD policy that overseas contractors supporting certified DoD programs can be afforded priority rating authority and SPA equally with U.S. contractors. This applies to contractors who have direct DoD contracts as well as to those who are subcontractors to U.S. prime contractors. However, overseas contractors supporting certified DoD programs may not automatically place rated orders with U.S. manufacturers.

2. Overseas contractors who require items from U.S. suppliers should make every effort to obtain these items without U.S. Government assistance. When the contractor is unable to locate a supplier or obtain timely delivery of the items, a letter should be submitted to the DoD contract administration office that administers the prime contract. The request for assistance should contain sufficient information to allow the preparation and submittal of a Form BXA-999.

3. The Military Department under whose jurisdiction the contract is being performed will designate a representative who is responsible for:

a. Determining that the quantities of materiel needed and ordered from the United States are consistent with the contract and schedule.

b. Determining the need for priority rating authority or other SPA.

c. Preparing and submitting a Form BXA-999 through the sponsoring DPAS Officer to the OASD(ES) for sponsorship to the DoC .

d. Initiating additional Form BXA-999s if the overseas supplier needs further assistance in obtaining required materials.

#### E. COMPLIANCE REVIEWS

1. In some situations addressed under Section D. above, overseas contractors supporting DoD programs may be authorized to use the DPAS rating. The delegation to the contractor will include audit procedures acceptable to the DoD.

2. The DoD Component or Associated Agency authorizing the contractor to use the DPAS for situations under Section D. above, has cognizant responsibility and should require contractual authority to review the contractor's appropriate records and purchase orders to ensure compliance.

3. The Defense Contract Management Command International (DCMCI) will have the responsibility to conduct DPAS compliance reviews to ensure that materiel, components, or parts acquired from U.S. contractors under the DPAS are utilized for the authorized purpose. The cognizant DoD Component may participate, or appoint an appropriate designee to participate, in the compliance review.

F . COPRODUCTION PROGRAMS

1. General

Programs involving components for military systems that are both manufactured and deployed by the United States and foreign countries are known as coproduction programs. As a general rule, if these coproduction programs are designated as authorized programs, the P&A procedures described in this Manual will apply.

2. Priority Rating Authority Between the U.S. and Foreign Countries

a. The OASD(ES) may request priority rating authority from the DoC for specific coproduction programs and may authorize only those foreign firms that have entered into a formal coproduction agreement with a U.S. producer to use priority ratings.

b. Request for priority rating authority by foreign firms providing items necessary to the coproduction Activity are submitted to the OASD(ES) for sponsorship to the DoC on a case-by-case basis.

c. DoD authority in coproduction programs is formally described in the DPAS Delegation 1 to the DoD.

3. Procedure

The procedure to be followed for coproduction programs is briefly described in the following paragraphs:

a. Request for Priority Rating Authority In requesting the priority rating authority for a coproduction Program, the DoD shall provide the DoC with:

(1) A detailed description of the Program.

(2) An assessment of its scope and dollar value.

(3) The anticipated procurement to be made in the United States by foreign firms, by value and category (such as materiel, general equipment, and electronic equipment) . Items in tight supply in the United States shall be indicated.

b. Issuance of Rating Authority. Upon DoC coordination of the request for priority rating authority, a Program identification symbol in the "J" Series may be assigned to the coproduction Program (for example, "J1" for F-16 Coproduction) .

c. DoD Guidance. The OASD (ES) shall issue:

(1) Explicit guidance on the use of priority ratings, their placement, and the listing of authorized programs, as described in the DPAS.

(2) Directions for providing SPA as described in this Manual.

(3) Guidance on compliance with the DPAS.